

USDA



Rural Development

Committed to the future of rural communities.

Decoding the Uniform Residential Appraisal Report

(Fannie Mae Form 1004/Freddie Mac Form 70)

March 2005 Revision

ATTENTION:

It is the HOMEBUYER'S responsibility to be an informed buyer. Homebuyers have every right to carefully examine the systems and structure of their potential new home. A home inspection is a smart investment to protect against expensive repairs. If a homebuyer has obtained a state licensed home inspection report, Rural Development can review the report to determine if any repairs will be needed to meet RD minimum property standards. THE INSPECTION COMPLETED WITH THIS APPRAISAL WILL BE REVIEWED FOR RD PROPERTY STANDARDS ONLY.

For further information contact:

Kristina Zehr

SFH Specialist

217.403.6224 office



Check with your local Rural Development office to see which repairs, if any require completion.

Subject:

1: Owner of Public Record: The name of the owner as listed in public records. If the seller is not the owner of public record the appraiser must explain.

2: Occupant: Choices are Owner, Tenant, or Vacant

If “Vacant” is selected then in the “**improvements**” section under “**condition of property**” the appraiser must note if the utilities were turned on or off at the time of the appraisal. If any utilities are off at the time of the appraisal, the appraiser *may* condition the appraisal for a satisfactory re-inspection once the utility has been turned on. If there is no re-inspection condition then the appraiser is *assuming* that once the utility is turned on everything will be in working order, but they are not guaranteeing utilities/heating/cooling/water heater are in working order.

3: “Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?”

This language is in reference to possible property flipping.

Contract:

This section must be completed when the appraisal assignment involves a purchase transaction. FHA requires that the appraiser be provided with a complete copy of the ratified sales contract, including all addenda, for the subject property.

4: “I did/did not analyze the contract for sale for the subject purchase transaction.

Appraiser must explain the results of the analysis, or explain why the analysis was not performed.

5: Enter contract date: The date all parties have agreed to the terms of, and signed the contract.

6: Sales concessions and downpayment assistance

The appraiser will mark the appropriate box indicating whether or not there is any financial assistance (loan charges, sales concessions, gift or downpayment assistance, etc.) paid by any party on behalf of the borrower. If necessary the appraiser may use the “**Additional Comments**” section on page 3 or an addendum, and enter the heading “Sales Concessions” completing the description.

If the answer is **YES**, the appraiser is to report the total dollar amount and describe the items to be paid. If the sale involves personal property (e.g. above ground swimming pool, lawn mower, furniture, etc.) it should be identified and excluded from the valuation.

SITE:

This information provides the description of the land underlying the subject property. The appraiser will consider all aspects of the physical description and reconcile them in the opinion of market value. This section of the appraisal requires the appraiser to consider any adverse site conditions or adverse external factors that may impact value.

7: Utilities: “Public” or “Other” will be marked. If “Other” is marked the appraiser will describe.

Mechanical chlorinators or water-flow that decreases noticeably while running simultaneous plumbing fixtures will require the appraiser to condition the appraisal with a “required inspection”.

Visual inspection of the septic system and surrounding areas will be performed. If there are ***obvious or readily observable signs of system failure***, the appraiser will “require inspection” to ensure that the system is in proper working order.

8: Off-site improvements: Appraiser will note road surface material, and whether it is public or private. Private roads are not acceptable for Rural Development financing.

9: Are there any adverse site conditions or external factors (Easements, encroachments, environmental conditions, land uses, etc.)?

- **Site hazards and nuisances: Examples are but not limited to:** slush pits, heavy traffic, airport noise, proximity to high pressure gas, liquid petroleum pipelines, or other volatile explosive products, high voltage transmission lines, transmission towers, excessive hazard from smoke, fumes, odors, and stationary storage tanks containing flammable or explosive materials.
- **Soil Contamination: Examples are but not limited to:** Pools of liquid, pits, ponds, lagoons, stressed vegetation, stained soils, or pavement, drums or odors. If any of these conditions exist further analysis or testing is required. Note the proximity to dumps, landfills, industrial sites, or other sites that could contain hazardous wastes.
- **Grading and Drainage: Examples are but not limited to:** Proper drainage control measures may include gutters and downspouts or appropriate grading or landscaping to divert the flow of water away from the foundation. The appraiser will note any standing water near the property that indicates improper drainage. Any required repairs will be noted in the **site section** of the report.
- **Individual Water Supply and Sewage Systems:** When the water is private, Rural Development will require water testing. Septic testing will be required only if the appraiser requires a separate inspection. If the appraiser notes any readily observable deficiencies regarding the septic system they will require an outside inspection.

Improvements:

The appraiser will accurately report the conditions observed, and describe any needed repairs, or the existence of any functional or external obsolescence.

10: Foundation/Crawl Space: The appraiser will inspect the foundation and mark if there is any:

Evidence of infestation which includes not only the house but also other structures within the legal boundaries of the property. Is there evidence of

wood boring insects? Termite inspections are mandatory for all purchase transactions in Illinois. Inspections may be necessary whenever there is evidence of decay, pest infestation, or suspicious damage.

Evidence of dampness: The appraiser will examine the foundation/basement for dampness or readily observable evidence of water damage. Signs of past water problems may include efflorescence, mold, mildew, or stains on walls or mechanical equipment. The basement or crawl space area must not have excessive dampness or ponding of water. Sump pump installation or additional cross-ventilation may be necessary. Vapor barriers may be required in crawl spaces if moisture problems are evident. If any of these inadequacies exist, the appraisal will be “subject to repairs” or “subject to inspection” to determine the source of problem and corrective measures necessary by a qualified party.

Evidence of settlement: The appraiser will examine the foundation for readily observable evidence of settlement. Hairline cracks are common, however horizontal cracks, bulging walls, or separation of sill plate from top of foundation wall are critical and require inspection.

11: Mechanical Systems: The appraiser will examine mechanical, plumbing, and electrical systems to ensure that they are in proper working order. This examination consists only of turning on the applicable systems and observing their performance. Electrical, plumbing, and/or heating certifications may be called for by the appraiser when he/she cannot determine if one or all of these systems are working properly.

- **Heating:** FWA (Forced Warm Air), HWBB (Hot Water Baseboard), Radiant, or “Other”. If “Other” is marked provide a brief description, e.g. (electric baseboard).
- **Water heater:** Tested by turning on the hot water and checking the temperature.
- **Cooling:** Central Air Conditioning, Individual, or “Other”. If “Other” please describe, e.g. permanently affixed fans, zoned air-conditioning, etc.
- **What will the appraiser be looking for in heating/cooling?**
 1. Turn the system on for functionality
 2. Are there unusual noises? Are odors or smoke emitted?
 3. Are holes or deterioration present in the unit?

12: Exterior Description: Roof Surface: The appraiser will enter the material type and rate the observed condition. The appraiser will view the roof from ground level to determine if the integrity of the roof is sufficient. **Rural Development requires that a roof have an estimated life of 2 years.** The appraiser will note if there is any evidence of deterioration of roofing materials (missing tiles, shingles, flashing). Worn, cupped, or curling materials are considered to be deteriorated. If the roof is otherwise unobservable, the appraiser will look for telltale signs of roof problems on the interior, e.g. water stains on the ceiling of rooms and closets.

13: Gutters and Downspouts: Enter the material type and rate the condition observed. Rural Development requires gutters and downspouts for all single family properties.

14: Attic: The attic must be entered, at a minimum, by head and shoulders. The appraiser will observe the interior roofing for insulation, deficient materials, leaks, or readily observable evidence of water damage, structural problems, previous fire damage, FRT sheathing, exposed or frayed wiring, and adequate ventilation by vent, fan, or window. If any of these problems exist condition the appraisal on their repair and prepare the appraisal “subject to repairs” and/or “subject to inspection”.

- **Rural Development has a thermal standard of R-33 (10 inches) or R-38 (12 inches) depending upon where the home is located. The attic inspection will usually determine if the home meets this thermal standard. If no attic access is available a thermal waiver may be obtained from your local Rural Development office.**

15: Amenities: In-ground pools: Rural Development will need to issue a waiver for any property that has an in-ground pool. Please submit your completed appraisal to your local Rural Development office as soon as possible to ensure if a property will qualify for a waiver. Above ground pools are considered personal property and have no effect on a property qualifying for guaranteed financing, and are not to be valued.

16: “Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).

The appraiser will describe any physical deterioration and/or functional or external depreciation noted in or on the property. A description of needed repairs for the property to meet FHA standards will also be listed. The appraisal will be conditioned “subject to repairs”.

17: “Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?” Yes or No

A “yes” response requires an explanation, and if necessary, condition the appraisal on the “repair or alteration of the condition” or a “required inspection” by appropriately qualified individuals or entities, which may include professional engineers or tradespersons.

- **Lead Based Paint:** Correction may be required on interior/exterior such as: walls, stairs, decks, porch railing, windows, or doorframes that may be chipping, flaking, or peeling. Affected areas will be noted in this section.
- **Site hazards, roof problems, mechanical, plumbing, electrical system defects, as well as other health or safety deficiencies may be listed under this section.**

Sales Comparison Approach:

18: Value Adjustments: Sale of Financing Concessions: The appraiser will report the type of financing (FHA, RD, VA, Conventional, etc.) and amount of sales concession for each comparable sale listed. The appraiser is required to make market-based adjustments to the comparable sales for any sales or financing concessions that may have affected the sales price. **The adjustment for such affected comparable sales must reflect the difference between the sales price with the sales concessions and what the property would have sold for without the concessions.**

19: Energy Efficient Items: Storm windows and doors, solar installations, replacement windows, etc. Enter an adjustment for differences if warranted.

20: Net Adjustment (Total): (+) or (-) will indicate if the total net adjustments will increase or decrease the value and note by how much. The appraiser should explain any adjustment that appears to be excessive.

21: Indicated Value by Sales Comparison Approach: Enter the Indicated Value

Reconciliation:

If there is insufficient space in the reconciliation section to list and describe any “repairs, alterations or required inspections” noted, then the appraiser is instructed to insert a reference in the reconciliation section “see Additional Comments section on the next page” and list and describe the items under the heading “Repairs, Alterations, Required Inspections”. If necessary, due to space limitations use an addendum with same heading.

22: THIS APPRAISAL IS MADE:

“AS-IS”: There is/are no repair(s), alteration(s) or required inspection condition(s) noted.

“PER PLANS & SPECS”: The appraisal involves proposed construction or the property is under construction and less than 90% complete

“SUBJECT TO REPAIRS OR ALTERATIONS”: An existing house that needs repair to protect the health and safety of the occupants, protect the security of the property, or correct physical deficiencies or conditions affecting the structural integrity,

“SUBJECT TO REQUIRED INSPECTION”: Inspections may be needed to certify the condition and/or status of a mechanical or structural element of the property, protect the health and safety of the occupants, or protect the security of the property.

23: Opinion of Market Value: The final opinion of market value will be listed on this line.

24: Additional Comments:

These comment lines provide additional space for the appraiser to fully describe any item, area or condition where the commentary exceeds the space provided in other sections of the report. THERMAL STANDARD may be listed in this section.

Cost Approach:

Rural Development requires this section to be fully completed.

25: Estimated Remaining Economic Life: This line must be completed. It may be stated as a number of a range. An explanation is required if the remaining economic life is less than 30 years.

26: Opinion of Site Value: This line must be completed for Rural Development. The site value may not be more than 30% of the purchase price. If the site value does exceed 30%, Rural Development may consider issuing a waiver. Call your local Rural Development office for more information.

Uniform Residential Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address: _____ City: _____ State: _____ Zip Code: _____
 Borrower: _____ Owner of Public Record: **1** County: _____
 Legal Description: _____
 Assessor's Parcel #: _____ Tax Year: _____ R.E. Taxes \$: _____
 Neighborhood Name: _____ Map Reference: _____ Census Tract: _____
 Occupant: ☐ Owner ☐ Tenant ☐ Vacant **2** Special Assessments \$: _____ PUD: _____ HOA \$: _____ per year ☐ per month ☐
 Property Rights Appraised: ☐ Fee Simple ☐ Leasehold ☐ Other (describe): _____
 Assignment Type: ☐ Purchase Transaction ☐ Refinance Transaction ☐ Other (describe): _____
 Lender/Client: _____ Address: _____
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? ☐ Yes ☒ No **3**
 Report data source(s) used, offering price(s), and date(s): _____
 I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. **4**
 Contract Price \$ **5** Date of Contract: _____ Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s): _____
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
 If Yes, report the total dollar amount and describe the items to be paid. **6**
Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	%				
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000)	(yrs)	2-4 Unit	%				
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low		Multi-Family	%				
Neighborhood Boundaries		High		Commercial	%				
		Pred.		Other	%				

Neighborhood Description: _____
 Market Conditions (including support for the above conclusions): _____
 Dimensions: _____ Area: _____ Shape: _____ View: _____
 Specific Zoning Classification: _____ Zoning Description: _____
 Zoning Compliance ☐ Legal ☐ Legal Nonconforming (Grandfathered Use) ☐ No Zoning ☐ Illegal (describe): _____
 Is the highest and best use of the subject property as improves for as proposed per plans and specifications) the present use? ☐ Yes ☐ No If No, describe: _____
 Utilities: Public Other (describe): _____ Public Other (describe): _____ Off-site Improvements—Type: Public Private
 Electricity ☐ ☐ **7** Water ☐ ☐ Street ☐ ☐
 Gas ☐ ☐ Sanitary Sewer ☐ ☐ Alley ☐ ☐
 FEMA Special Flood Hazard Area ☐ Yes ☐ No FEMA Flood Zone: _____ FEMA Map #: _____ FEMA Map Date: _____
 Are the utilities and off-site improvements typical for the market area? ☐ Yes ☐ No If No, describe: _____
 Are there any adverse site conditions or external factors (leasements, encroachments, environmental conditions, land uses, etc.)? ☐ Yes ☐ No If Yes, describe: _____

General Description		Foundation 10		Exterior Description		materials/condition		Interior		materials/condition	
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls		Floors							
# of Stories: _____	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls		Walls							
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det/End Unit	Basement Area: _____ sq. ft.	Roof Surface 12		Trim/Finish							
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish: _____ %	Gutters & Downspouts 13		Bath Floor							
Design (Style): _____	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type		Bath Wainscot							
Year Built: _____	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated		Car Storage <input type="checkbox"/> None							
Effective Age (Yrs): _____	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screened		Driveway # of Cars							
Attic <input type="checkbox"/> None 14	Heating <input type="checkbox"/> FWA <input type="checkbox"/> HWB <input type="checkbox"/> Radiant	Amenities 15		Driveway Surface							
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel	Fireside(s) #		Garage # of Cars							
<input type="checkbox"/> Floor <input type="checkbox"/> Soutie	Cooling <input type="checkbox"/> Central Air Conditioning	Patio/Deck		Carport # of Cars							
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other 11	Pool		Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in							

Appliances: ☐ Refrigerator ☐ Range/Oven ☐ Dishwasher ☐ Dispos. ☐ Microwave ☐ Washer/Dryer ☐ Other (describe): _____
 Finished area above grade contains: _____ Rooms: _____ Bedrooms: _____ Bath(s): _____ Square Feet of Gross Living Area Above Grade: _____
 Additional features (special energy efficient items, etc.): _____
 Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.): **16**
 Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? ☐ Yes ☐ No If Yes, describe: **17**
 Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? ☐ Yes ☐ No If No, describe: _____

Uniform Residential Appraisal Report

File #

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$		to \$	
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$		to \$	
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2
Address			
Proximity to Subject			
Sale Price	\$	\$	\$
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.
Data Source(s)			
Verification Source(s)			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing	18		
Concessions			
Date of Sale/Time			
Location			
Leasehold/Fee Simple			
Site			
View			
Design (Style)			
Quality of Construction			
Actual Age			
Condition			
Above Grade	Total Baths	Total Baths	Total Baths
Room Count			
Gross Living Area	sq. ft.	sq. ft.	sq. ft.
Basement & Finished			
Rooms Below Grade			
Functional Utility			
Heating/Cooling	19		
Energy Efficient Items			
Garage/Carport			
Porch/Patio/Deck			
Net Adjustment (Total)	20		
Adjusted Sale Price of Comparables	Net Adj. % Gross Adj. %	Net Adj. % Gross Adj. %	Net Adj. % Gross Adj. %
<input type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain			
My research <input type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.			
Data source(s)			
My research <input type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.			
Data source(s)			
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).			
ITEM	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2
Date of Prior Sale/Transfer			
Price of Prior Sale/Transfer			
Data Source(s)			
Effective Date of Data Source(s)			
Analysis of prior sale or transfer history of the subject property and comparable sales			
Summary of Sales Comparison Approach			
Indicated Value by Sales Comparison Approach \$ 21			
Indicated Value by: Sales Comparison Approach \$ Cost Approach (if developed) \$ Income Approach (if developed) \$			
This appraisal is made <input type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:			
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$, which is the date of inspection and the effective date of this appraisal.			

Uniform Residential Appraisal Report

File #

APPROACH TO VALUE	
Provide adequate information for the lender/client to replicate the below cost figures and calculations.	
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)	
ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	
Source of cost data	
Quality rating from cost service	
Effective date of cost data	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)	
OPINION OF SITE VALUE	
Dwelling	
Sq. Ft. @ \$	
Sq. Ft. @ \$	
Garage/Carport	
Sq. Ft. @ \$	
Total Estimate of Cost-New	
Less: Physical	
Functional	
External	
Depreciation	
Depreciated Cost of Improvements	
"As-Is" Value of Site Improvements	
Estimated Remaining Economic Life (HUD and VA only)	
Years	
Indicated Value By Cost Approach	
INCOME APPROACH TO VALUE (not required by Fannie Mae)	
Estimated Monthly Market Rent \$	
X Gross Rent Multiplier	
= \$	
Indicated Value by Income Approach	
Summary of Income Approach (including support for market rent and GRM)	
PROJECT INFORMATION FOR PUDs (if applicable)	
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s): <input type="checkbox"/> Detached <input type="checkbox"/> Attached	
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.	
Legal name of project	
Total number of phases	
Total number of units	
Total number of units sold	
Total number of units rented	
Total number of units for sale	
Data source(s)	
Was the project created by the conversion of an existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion	
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data source(s)	
Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.	
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.	
Describe common elements and recreational facilities	

Uniform Residential Appraisal Report

File #

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit, including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property; (2) inspect the neighborhood; (3) inspect each of the comparable sales from at least the street; (4) research, verify, and analyze data from reliable public and/or private sources; and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Uniform Residential Appraisal Report

File #

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

Uniform Residential Appraisal Report

File #

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature and Report _____
 Effective Date of Appraisal _____
 State Certification # _____
 or State License # _____
 or Other (describe) _____ State # _____
 State _____
 Expiration Date of Certification or License _____

ADDRESS OF PROPERTY APPRAISED

APPRAISED VALUE OF SUBJECT PROPERTY \$ _____

LENDER/CLIENT

Name _____
 Company Name _____
 Company Address _____
 Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
 Name _____
 Company Name _____
 Company Address _____
 Telephone Number _____
 Email Address _____
 Date of Signature _____
 State Certification # _____
 or State License # _____
 State _____
 Expiration Date of Certification or License _____

SUBJECT PROPERTY

- ☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
 Date of Inspection _____
☐ Did inspect interior and exterior of subject property
 Date of Inspection _____

COMPARABLE SALES

- ☐ Did not inspect exterior of comparable sales from street
☐ Did inspect exterior of comparable sales from street
 Date of Inspection _____

